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To: Honorable Members of the House Health Policy Committee
From: Amanda Fisher, Assistant State Director
Date: March 10, 2021
RE: Please Support HB 4348 - Pharmacy Benefit Manager Chans

We are writing to urge you to support House Bills 4348 that would bring fairness and much needed reform to Pharmacy Benefit Managers (PBMs) in Michigan.

Community pharmacies are faced with many challenges and PBMs are one of them. PBMs are considered the “middlemen” between the health insurer and the pharmacy. They are their own entity and manage a prescription drug benefit on behalf of the benefit sponsor, which may be a health plan, a health maintenance organization, a union or an employer.

While the purported purpose of PBMs is to administer plan benefits and negotiate prices between pharmacies and health plans, over time, they have taken control over many aspects of prescription drug transactions. They have created barriers to competition in the delivery of pharmacy services in community and long-term care pharmacy settings that have increased costs, reduced choice, and unfairly competed against community pharmacies.

HB 4348 will address many of the concerns of our independent pharmacies, including but not limited to: allowing patients to choose out of network providers, ensuring fair and prompt payment, stop unplanned audits, and eliminate pricing clawbacks.

This bill also provides more transparency and regulations on how PBMs can operate in Michigan helping both independent pharmacies and consumers as they make health care decisions.

For all these reasons, we ask for your support of HB 4348. Thank you for your support of small business.